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C O N F I D E N T I A L SECTION 01 OF 03 BEIJING 000872

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TAGS: [PGOV](#) [ELAB](#) [SOCI](#) [ECON](#) [CH](#)  
SUBJECT: NPC DELEGATE DISCUSSES MIGRANT LABOR, GRADUATE  
EMPLOYMENT, NPC EXPERIENCES

REF: A. BEIJING 580  
[1](#)B. BEIJING 649  
[1](#)C. BEIJING 664  
[1](#)D. 08 BEIJING 329  
[1](#)E. SHANGHAI 103

Classified By: Political Minister Counselor  
Aubrey Carlson. Reasons 1.4 (b) and (d).

SUMMARY

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[1](#)1. (C) A rural Anhui Province delegate to the National People's Congress (NPC) recently told PolOff that his locality was trying to find jobs for more than 130,000 unemployed migrants returned from cities and coastal areas. Despite efforts to encourage them to start businesses or obtain vocational training, most migrants would have to "return to the land" to "ride out" the economic downturn. The delegate did not expect returned migrants to be a source of significant unrest. China would maintain eight-percent growth this year, and the financial crisis would not affect urban employment, he confidently predicted, noting that any rise in the urban unemployed would nevertheless pose a greater risk to social stability. College graduates needed to "adjust their expectations" about employment and be more willing to accept entry-level jobs in the countryside. Negative votes cast against certain work reports at the March 2009 NPC closing session reflected "local concerns" rather than broad dissatisfaction with the central government, the delegate claimed. End Summary.

LOCALITIES DEALING WITH RETURNING MIGRANTS

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[1](#)2. (C) Tang Linxiang (protect), a delegate to the National People's Congress (NPC) and Party Secretary of mostly rural Liuhe Prefecture in Anhui Province who had traveled to Beijing for the March 2009 NPC session (refs A-C), told PolOff on March 14 that his prefecture was using four methods to deal with the 130,000 unemployed migrants that had returned from the cities and coastal areas. Tang (who participated in the USG's International Visitor Program in 2000) said that out of his prefecture's population of just over seven million, 1.6 million were migrant laborers. This year, 930,000 migrants had returned to Liuhe to spend Chinese New Year with their families, but only 800,000 had returned to the cities, leaving 130,000 behind. (It was difficult to do a year-on-year comparison, Tang noted, because only about 450,000 migrants had been able to return home for the New Year in 2008 because of major snow storms. But, according to Tang, last year nearly all of the migrants had returned to jobs in the cities.)

[1](#)3. (C) To deal with the returned migrants, Tang said, the first thing his prefecture had done was to organize a migrant job fair in late February. The fair had resulted in 30,000 of the migrants finding work. Second, the Liuhe Prefectural

Government had set up a venture capital fund to provide loans and investment to help returned migrants start their own businesses. Many migrants, he commented, had acquired skills and business know-how working in the cities, and this fund was designed to capitalize on that experience while also helping overall economic development in Liuhe. Third, the prefecture had offered vocational training classes, such as in sewing or machine operation, to help migrants improve their "skill sets."

14. (C) As a fourth measure to support returning migrants, Tang said, the local government had provided subsidies for seed and fertilizer. Migrants had a choice of using the subsidies to grow crops themselves or rent their land to other farmers and live off that income. Tang estimated that the subsidies and potential rent amounted to 500 RMB per mu (one-fifteenth of a hectare) per year. In this way, land-use rights served as a form of "social security" for those holding rural resident status (hukou), a benefit urban residents lacked. Tang stated that perhaps a majority of returned migrants in his prefecture would have to "return to (working) the land" in order to ride out the economic downturn.

#### URBAN UNEMPLOYMENT THE BIGGER PROBLEM

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15. (C) Tang for the most part did not expect migrants to cause social unrest because they understood the effects of the economic downturn and therefore saw no point in "making trouble" (naoshi). He was hopeful that the effects of the financial crisis would not last more than "two or three

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years." So far, the economic crisis had not caused a drop in urban employment. Nevertheless, a rise in urban unemployment could generate unrest that would be "more difficult to manage," Tang claimed. The unemployment rate in the urban districts of Liuhe was just above four percent, one of the lowest rates in Anhui, he boasted. Tang expressed confidence in China's ability to maintain eight-percent growth (baoba), stressing that doing so was "critical" to maintaining social stability. China's economy was like a bicycle, he said, "unstable" if it moves too slowly, "dangerous" if it goes too fast, and "most stable" moving at a "moderately fast pace."

#### COLLEGE GRADUATES MUST "ADJUST EXPECTATIONS"

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16. (C) College graduates had to "adjust their expectations" about employment in the current economic circumstances, Tang asserted. Noting that there were three institutions of higher learning in his prefecture, he said that most college graduates had "unrealistic expectations." Bemoaning the fact that most college graduates either wanted to head for the coast, go overseas or be handed a well-paying job as they had been under the old employment assignment (fenpei) system that ended in the mid-1990s. Many college students nevertheless still thought about employment as it had been before China transitioned to a market economy. College graduates needed to adjust to a market economy and start thinking about employment in a different way, Tang averred. These graduates were "really needed in the countryside" to start businesses and use their know-how to assist with agricultural development, but for the most part they were not willing to live and work in rural areas, he lamented.

#### CHINESE PEOPLE MUST BE "CONTROLLED"

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17. (C) Tang was dismissive of the proposal to stimulate employment by removing controls on certain aspects of the services sector, including media, education and religion, as advocated by some Chinese academics. Revealing thinking common among many Chinese intellectuals, Tang argued that the average education level of most Chinese citizens was "too

low" and that there were simply "too many Chinese people." Thus, without "tight controls," China could rapidly descend into "chaos." Using the example of a hypothetical independent movie maker, Tang said that if there were no controls, a movie made by such a person might contain information that would incite the Chinese people, with their "limited powers of discernment," to react in "unpredictable (and dangerous) ways." Therefore, it was important to "maintain strict controls" over certain areas of society in order to "protect the broad interests of the Chinese people."

NPC POTPOURRI

18. (C) Having now attended his second NPC session as a delegate from Anhui, Tang provided the following comments on his experience:

-- This year was less important: This year's NPC was "not as important" as the March 2008 NPC, which was the first session of the new five-year 11th NPC and which had "elected" a new slate of government leaders.

-- Negative votes are good things: The "moderate increase" of negative votes on certain government work reports at this year's NPC closing session (ref c) reflected frustration with "local concerns" more than broad criticism of the central government. Using the vote on the Supreme People's Court (SPC) work report as an example, Tang said the 500-plus negative votes had not been cast against the work of the SPC in general but rather served as a "protest vote" against court decisions or judicial behavior in delegates' local jurisdictions. The negative votes would have been "unthinkable" during the Mao era, but today, negative votes were a "positive phenomenon" and showed greater tolerance for different viewpoints and a growing sense of "democracy."

-- "Austere" environment: There had been a strong push for "austerity" among government officials this year. In particular, procedures for getting foreign travel approved were much more involved. Tang commented that, last year, he had travelled to four countries in northern Europe (his daughter is a college student in Finland), but this year similar trips probably would not be approved, or would be curtailed, given the current "austere" environment.

-- Greater media interest: There had seemed to be greater media interest and participation in the NPC this year.

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Having just completed eight days of innumerable meetings at the NPC, Tang joked that he had often been tired but had nonetheless been careful not to fall asleep in meetings because cameras were everywhere. If a photo of him nodding off at the NPC were published, Tang feared, it could "end his career."  
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